

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:)
)
)
TC PROPERTY SOLUTIONS, INC.) CASE NO.: 24-03289-5-PWM
) Chapter 7
Debtor)
)
_____)

MOTION FOR RELIEF FROM AUTOMATIC STAY

Valiant Builder Finance LLC ("Valiant"), by and through its undersigned counsel, and moves the Court pursuant to 11 U.S.C. § 362(d)(1) and (2) of the Bankruptcy Code and Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure for an Order modifying the automatic stay now in effect in the above-captioned matter. In support of this Motion, Valiant shows unto the Court.

FACTUAL AND PROCEDURAL HISTORY

1. Debtor TC Property Solutions, Inc. ("Debtor") filed its voluntary petition seeking relief under Chapter 7 of the Bankruptcy Code on September 23, 2024 (the "Petition Date").

2. The above-captioned matter is pending in the Eastern District of North Carolina, and John C. Bircher, III serves as Chapter 7 Trustee.

3. Valiant is a party-in-interest and duly-scheduled creditor of the Debtor.

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

Note -2350

5. On or about May 5, 2022, the Debtor executed and delivered to Valiant a Promissory Note in the principal amount of \$303,000.00 ("Note 1").

6. As security for Note 1, the Debtor executed a Deed of Trust by which the Debtor granted to Valiant a lien on certain real property with any and all improvements thereon located at 1076 NC 55 W, Coats, North Carolina, being more particularly described in the Deed of Trust recorded in Book 4149, at Page 292 of the Harnett County Registry ("Collateral 1").

7. Copies of Note 1 and the Deed of Trust (collectively, the "Note 1 Loan Documents") are attached as **Exhibit A**.

8. Prior to the Petition Date, Note 1 became past due and in default, and the balance of indebtedness due and owing on Note 1 was accelerated.

9. On July 24, 2024, the Substitute Trustee under the Deed of Trust instituted a foreclosure special proceeding on behalf of Valiant in the Superior Court for Harnett County, North Carolina, File No. 24SP000221-420 ("Special Proceeding 1"), to foreclose the Deed of Trust and sell Collateral 1.

10. The Debtor filed its Petition thereby staying Special Proceeding 1.

11. As of the Petition Date, there is due and owing to Valiant from the Debtor on the Note 1 Loan Documents the sum of \$339,179.02, not including legal expenses.

12. Post-petition interest is continuing to accrue on the unpaid balance due on the Note 1 Loan Documents at the rate of \$84.83 per day.

Note -2477

13. On or about May 11, 2023, the Debtor executed and delivered to Valiant a Promissory Note in the principal amount of \$240,000.00 (the "Note 2").

14. As security for Note 2, the Debtor executed a Deed of Trust by which the Debtor granted to Valiant a lien on certain real property with any and all improvements thereon located at 13301 NC 27 W, Broadway, North Carolina, being more particularly described in the Deed of Trust recorded in Book 4192, at Page 1822 of the Harnett County Registry ("Collateral 2").

15. Copies of Note 2 and the Deed of Trust (collectively, the "Note 2 Loan Documents") are attached as **Exhibit B**.

16. Prior to the Petition Date, Note 2 became past due and in default, and the balance of indebtedness due and owing on Note 2 was accelerated.

17. On July 24, 2024, the Substitute Trustee under the Deed of Trust instituted a foreclosure special proceeding on behalf of Valiant in the Superior

Court for Harnett County, North Carolina, File No. 24SP000222-420 ("Special Proceeding 2"), to foreclose the Deed of Trust and sell Collateral 2.

18. The Debtor filed its Petition thereby staying Special Proceeding 2.

19. As of the Petition Date, there is due and owing to Valiant from the Debtor on the Note 2 Loan Documents the sum of \$156,069.42, not including legal expenses.

20. Post-petition interest is continuing to accrue on the unpaid balance due on the Note 2 Loan Documents at the rate of \$40.25 per day.

Note -2478

21. On or about May 11, 2023, the Debtor executed and delivered to Valiant a Promissory Note in the principal amount of \$240,000.00 ("Note 3").

22. As security for Note 3, the Debtor executed a Deed of Trust by which the Debtor granted to Valiant a lien on certain real property with any and all improvements thereon located at 13281 NC 27 W, Broadway, North Carolina, being more particularly described in the Deed of Trust recorded in Book 4192, at Page 1910 of the Harnett County Registry ("Collateral 3").

23. Copies of Note 3 and the Deed of Trust (collectively, the "Note 3 Loan Documents") are attached as **Exhibit C**.

24. Prior to the Petition Date, Note 3 became past due and in default, and the balance of indebtedness due and owing on Note 3 was accelerated.

25. On July 24, 2024, the Substitute Trustee under the Deed of Trust instituted a foreclosure special proceeding on behalf of Valiant in the Superior Court for Harnett County, North Carolina, File No. 24SP000220-420 ("Special Proceeding 3"), to foreclose the Deed of Trust and sell Collateral 3.

26. The Debtor filed its Petition thereby staying Special Proceeding 3.

27. As of the Petition Date, there is due and owing to Valiant from the Debtor on the Note 3 Loan Documents the sum of \$155,215.11, not including legal expenses.

28. Post-petition interest is continuing to accrue on the unpaid balance due on the Note 3 Loan Documents at the rate of \$40.00 per day.

Note -2530

29. On or about August 25, 2023, the Debtor executed and delivered to Valiant a Promissory Note in the principal amount of \$247,000.00 ("Note 4").

30. As security for Note 4, the Debtor executed a Deed of Trust by which the Debtor granted to Valiant a lien on certain real property with any and all improvements thereon located at 13341 NC 27 W, Broadway, North Carolina, being more particularly described in the Deed of Trust recorded in Book 4205, at Page 1290 of the Harnett County Registry ("Collateral 4" and together with Collateral 1, Collateral 2 and Collateral 3, the "Collateral").

31. Copies of Note 4 and the Deed of Trust (collectively, the "Note 4 Loan Documents") are attached as **Exhibit D**.

32. Prior to the Petition Date, Note 4 became past due and in default, and the balance of indebtedness due and owing on Note 4 was accelerated.

33. On July 24, 2024, the Substitute Trustee under the Deed of Trust instituted a foreclosure special proceeding on behalf of Valiant in the Superior Court for Harnett County, North Carolina, File No. 24SP000223-420 ("Special Proceeding 4" and together with Special Proceeding 1, Special Proceeding 2 and Special Proceeding 3, the "Special Proceedings"), to foreclose the Deed of Trust and sell Collateral 4.

34. The Debtor filed its Petition thereby staying Special Proceeding 4.

35. As of the Petition Date, there is due and owing to Valiant from the Debtor on the Note 4 Loan Documents the sum of \$165.582.91, not including legal expenses.

36. Post-petition interest is continuing to accrue on the unpaid balance due on the Note 4 Loan Documents at the rate of \$43.71 per day.

MOTION FOR RELIEF

37. Each of the items of Collateral is a single-family, residential lot and spec home situated thereon. The home with respect to Collateral 1 is approximately 100% complete. The home with respect to Collateral 2 is

approximately 41% complete. The home with respect to Collateral 3 is approximately 42% complete. The home with respect to Collateral 4 is approximately 52.5% complete.

38. The Debtor failed to maintain insurance on the Collateral, and Valiant has force-placed single-interest insurance on the Collateral. At present, there is no insurance on the Debtor's interest in the Collateral.

39. Prior to the expiration of the Debtor's insurance on the Collateral, a theft occurred at one of the homes, and the Debtor used the insurance proceeds for purposes other than to pay to Valiant, the lien holder.

40. Payments are not being made to Valiant.

41. Valiant's interest in the Collateral is not adequately protected, and cause exists for stay relief.

42. There is no equity in any of the Collateral, and the Collateral is not necessary for an effective reorganization of the Debtor.

43. Valiant is entitled to relief from the automatic stay so that Valiant may resume its foreclosures in the Special Proceedings from the point at which Valiant was stayed by the bankruptcy filing.

44. If a sale of any of the Collateral is held and surplus proceeds are derived, then Valiant will cause said surplus proceeds to be paid to the Trustee pending further orders of this Court.

WHEREFORE, Valiant respectfully prays unto the Court as follows:

1. That the Court enter an Order granting Valiant relief from the automatic stay to permit Valiant to resume its foreclosures in the Special Proceedings from the point at which Valiant was stayed by the bankruptcy filing, pursuant to its security documents and applicable state law.
2. That if a sale of any of the Collateral is held and surplus proceeds are derived, then Valiant shall cause said surplus proceeds to be paid to the Trustee pending further orders of this Court.
3. That the provisions of Rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure shall not apply.
4. That Valiant have such other and further relief as to the Court may seem just and proper.

This the 12th day of November, 2024.

/s/ J. Michael Fields

J. Michael Fields

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UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:)
)
TC PROPERTY SOLUTIONS, INC.) CASE NO.: 24-03289-5-PWM
) Chapter 7
Debtor)
)

NOTICE OF MOTION

NOTICE IS HEREBY GIVEN of the Motion for Relief from Automatic Stay (the "Motion") filed herewith by the attorneys for Valiant Builder Finance LLC in the above-captioned case; and,

FURTHER NOTICE IS HEREBY GIVEN that this Motion may be allowed provided that no response and request for a hearing is made by the Debtor or other party in interest in writing to the Clerk of this Court within fourteen (14) days from the date of this Notice; and,

FURTHER NOTICE IS HEREBY GIVEN that if a response and a request for hearing is filed by the Debtor or other party in interest named herein in writing within the time indicated, a hearing will be conducted on the Motion and response thereto at a date, time and place to be later set by this court and all interested parties will be notified accordingly. If no request for a hearing is timely filed, the Court may rule on the Motion and response thereto ex parte without further notice.

This the 12th day of November, 2024.

/s/ *J. Michael Fields*

J. Michael Fields

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Attorneys for Valiant Builder Finance LLC

CERTIFICATE OF SERVICE

I certify that the foregoing MOTION FOR RELIEF FROM AUTOMATIC STAY and NOTICE OF MOTION was filed electronically in accordance with the local rules and was served electronically on those entities that have properly registered for such electronic service. Entities not registered for electronic service have been served by depositing a copy thereof in the United States mail, postage pre-paid:

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This the 12th day of November, 2024.

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